E3 LITHIUM

Management's Discussion and Analysis

For the three and nine months ended September 30, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") has been prepared by management as of November 25, 2024 and provides a summary of the activities, results of operations, and financial condition of E3 Lithium Ltd. ("E3 Lithium" or the "Company") as at and for the three and nine months ended September 30, 2024, and should be read in conjunction with the unaudited condensed consolidated interim financial statements as at and for the three and nine months ended September 30, 2024, and the MD&A and audited consolidated financial statements for the year ended December 31, 2023, and related notes thereto, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in thousands of Canadian Dollars unless otherwise indicated. This MD&A should also be read in conjunction with "Forward-Looking Statements" below. Additional information about E3 Lithium is available on E3 Lithium's website www.e3lithium.ca and SEDAR+ at www.sedarplus.ca., including the Company's most recently filed Annual Information Form.

BUSINESS OVERVIEW

E3 Lithium is changing how lithium is produced. Leveraging its technological advantage in high purity lithium extraction and its highly skilled technical team, the Company aims to deliver a secure and domestic source of lithium. Our first project, located in Alberta, Canada is aiming to produce 32,000 tonnes of LHM, with 1.29 Mt LHM reserve and a $3.72B NPV. Operational similarities to conventional oil and gas, including a proactive regulator, make Alberta a top tier lithium jurisdiction.

E3 LITHIUM'S STRATEGIC VISION

E3 Lithium's vision is to be a global leader in responsibly sourced lithium, fueling the global transition towards a brighter energy future. With a strategic focus on North America's critical mineral supply chain, E3 is positioned as Canada's leader in lithium-in-brine extraction. The Company aims to create long-term, sustainable value by building a world-class, large-scale, long-life lithium production company. By supporting energy independence through local supply, E3 Lithium is focused on safe operations, maintaining a strong balance sheet and capitalizing on the enormous potential of its globally significant asset base.

MARKET OUTLOOK

Benchmark Minerals Intelligence forecasts global lithium demand to reach 1,103 kt of lithium carbonate equivalent ("LCE") in 2024, with the largest growth driven by electric vehicles ("EVs"), where demand is expected to grow by 32% in 2024. Lithium demand is projected to grow at a 10% compound annual growth rate (CAGR) through 2040, reaching 2.7 million tonnes (Mt) by 2030.

Q3 2024 HIGHLIGHTS

E3 Lithium Files Clearwater Project NI 43-101 Technical Report

On July 29, 2024 E3 Lithium filed the technical report, entitled "Clearwater Project NI 43-101 Technical Report on Pre-Feasibility Study, Bashaw District Mineral Property, Central Alberta, Canada" with an effective date of June 20, 2024 (the "Technical Report") summarizing the results of the Pre-Feasibility Study (the "PFS") previously announced in the Company's news release dated June 26, 2024.

E3 Lithium Plans to Construct a Fully Integrated Lithium Demonstration Facility

On August 8, 2024 E3 Lithium announced its plan to build a fully integrated Lithium Brine Demonstration Facility (the "Demo Project") with the goal to produce battery grade lithium carbonate from brines located within the Leduc reservoir in Alberta. The Demo Project takes a significant step forward in the Company's strategic plan to develop a commercial lithium facility that will reinforce western Canada as a major lithium resource jurisdiction.

The Demo Project will be an advancement from the successful Direct Lithium Extraction ("DLE") pilot program conducted in 2023. The Company operated and evaluated multiple technologies, showcasing the technical feasibility of DLE technology including its own proprietary DLE. The 2023 pilot provided critical data used in the recently released Pre-Feasibility Study ("PFS") validating the economic feasibility of lithium projects in Alberta.

The Demo Project will operate a fully integrated process that will include an increase in the scale of the DLE system and add into the processes for the purification, concentration and chemical conversion to continually process brine into battery grade lithium carbonate. Additional hydroxide developments will be conducted offsite. The objectives of the Demo Project are to unify the necessary components onsite into a fully integrated process replicating, as best as possible at a reduced scale, a commercial system. This will provide real-time data while the Company continues to design a commercial system through advanced engineering. It will also provide samples for commercial discussions with potential strategic partners. The Demo Project will enable the Company to continually optimize and de-risk each step of the flowsheet as it moves towards completing its feasibility study.

E3 Lithium to Receive $5 Million From the Government of Alberta for its Fully Integrated Demonstration Facility

On August 15, 2024, the Alberta Government announced it is investing $5 million through the Emissions Reduction Alberta ("ERA") Technology Innovation and Emissions Reduction ("TIER") fund to support E3 Lithium's integrated Demo Project.

E3 Lithium and Pure Lithium Enter Into Joint Development Agreement Aiming to Produce Lithium Metal Batteries in Alberta from E3 Brine

On August 20, 2024, E3 Lithium announced it has signed a Joint Development Agreement (the "Agreement") with Pure Lithium Corporation ("PL"), a disruptive Boston-based vertically integrated lithium metal battery technology company. Under the Agreement, the two companies will advance the design of a lithium metal anode and battery pilot plant in Alberta and complete a Preliminary Economic Assessment of a commercial lithium metal battery facility combining Pure Lithium's patented vertically integrated Brine to Battery™ technology with E3's vast lithium brines and concentrate production. The combined process eliminates the need to produce a lithium salt as an intermediary step and could provide a much more simplified process flow sheet.

The Development Agreement outlines over the next 12 months, E3 and Pure Lithium will work together to complete a rigorous techno-economic model, to continue the joint scale-up efforts and to design a lithium metal anode and battery pilot facility to be built near Calgary, Alberta, using lithium from concentrate generated by E3. Through this work, E3 and PL will assess the technical and economic criteria of a commercial lithium metal battery facility that would be located adjacent to the lithium production in Alberta. Upon successful completion, the two companies will evaluate the next steps, which could include the operation of the pilot, designed to produce 200kg of lithium metal anodes that will be used in lithium metal vanadium rechargeable batteries. Further, upon successful completion of the pilot, advancement towards the world's first vertically integrated lithium metal battery technology.

E3 Lithium Successfully Commissions Lithium Carbonate Reactors in the Lab for Use in Field Demonstration

On September 26, 2024, E3 Lithium announced the successful commissioning of its demo scale carbonate conversion reactors. This allows the Company to produce lithium carbonate using similar, yet small-scale equipment operating at the same temperature and chemical operating conditions as a commercial system. The ability to produce reliable battery grade lithium carbonate is a significant step forward in the Company's efforts to establish a reliable lithium production facility in Alberta, Canada.

The reactors will eventually be used in the previously announced demonstration facility. The goal is to confirm the operational parameters in the lab ahead of the demo being commissioned on site. The commissioning of the carbonation reactors involved a series of tests that confirmed its efficiency and reliability, consistently meeting the required reaction conditions. This comes following E3 Lithium's expansion to its Calgary-based lab to incorporate advanced equipment with the goal of producing battery-grade lithium carbonate. The lab has focused on the procurement of the equipment and the development of the processes and procedures to ensure safe and efficient operations. Future test work will center around optimization, enhancing the Company's ability to scale up production efficiently while prioritizing accuracy, cost-effectiveness and operational flexibility, aiming for the production of battery grade lithium carbonate from E3 Lithium's concentrate generated at the pilot last year.

SUMMARY OF OPERATIONS

Operating Expenses

	Three months ended September 30			Nine months ended September 30		
	2024	2023	% Change	**2024**	2023	% Change
Operating expenses	**-**	67	(100%)	**-**	248	(100%)

Operating expenses consist primarily of lease rentals, property taxes, repairs & maintenance, and other costs incurred to maintain and operate the Company's lithium evaluation wells. During the three and nine months ended September 30, 2024, the Company incurred no operating expenses as compared to $0.1 million and $0.2 million in the prior year comparative period as the Company recognized operating costs in the prior year due to work on its wells in relation to the field pilot plant.

Business Development and Marketing

	Three months ended September 30			Nine months ended September 30		
	2024	2023	% Change	**2024**	2023	% Change
Business development and marketing	**364**	646	(44%)	**1,591**	2,119	(25%)

Business development expenditures are comprised of costs incurred for building strategic relationships and exploring potential partnership offtake opportunities. Marketing expenditure refers primarily to the costs of advertising, conferences, and external consulting fees incurred for brand building and strategic positioning. For the three and nine months ended September 30, 2024, business development and marketing expenses were $0.4 million and $1.6 million as compared to $0.6 million and $2.1 million respectively in the same period of prior year.

General and Administrative

	Three months ended September 30			Nine months ended September 30		
	2024	2023	% Change	**2024**	2023	% Change
General and administrative	**1,722**	1,120	54%	**4,196**	2,882	46%

General and administrative expenses were $1.7 million and $4.2 million for the three and nine months ended September 30, 2024, an increase of $0.6 million and $1.3 million from the comparable period in the prior year. General and administrative costs increased relative to the prior year as a result of an expanded workforce and incremental corporate costs with the Company's continued growth.

Share-Based Compensation

	Three months ended September 30			Nine months ended September 30		
	2024	2023	% Change	**2024**	2023	% Change
Share-based compensation	**728**	713	(2%)	**2,411**	1,861	30%

Share-based compensation refers to compensation expenses resulting from the issuance and vesting of equity-based rewards. For the three and nine months ended September 30, 2024, share-based compensation was $0.7 million and $2.4 million, compared to $0.7 million and $1.9 million respectively in the comparable prior year period due to the issuance of 2.8 million options and of 0.4 million RSUs during the year.

Stock Options

	Stock Options	**Weighted Average Exercise Price ($)**
Balance, January 1, 2023	5,025,767	1.98
Granted	2,045,000	2.51
Exercised	(1,522,500)	0.89
Forfeited/expired	(732,017)	2.28
Balance, December 31, 2023	4,816,250	2.50
Granted	**2,788,000**	**1.60**
Exercised	**(200,000)**	**1.38**
Forfeited/expired	**(886,250)**	**2.88**
Balance, September 30, 2024	**6,518,000**	**2.10**

RSUs

	Restricted Share Units	**Weighted Average Fair Value per Award ($)**
Balance, December 31, 2023	-	-
Granted	**395,000**	**1.58**
Forfeited/expired	**(5,000)**	**1.58**
Balance, September 30, 2024	**390,000**	**1.58**

Financing Expenses

	Three months ended September 30			Nine months ended September 30		
	2024	2023	% Change	**2024**	2023	% Change
Accretion	**3**	3	-	**10**	7	43%
Interest on leases	**11**	13	(9%)	**33**	37	(11%)
	14	16	(13%)	**43**	44	(2%)

Financing expenses relate to interest expense from the Company's head office and laboratory leases and accretion on its decommissioning obligations from its three-well exploratory program and field pilot plant.

Depreciation

	Three months ended September 30			Nine months ended September 30		
	2024	2023	% Change	**2024**	2023	% Change
Depreciation	**52**	44	18%	**153**	125	22%

For the three and nine months ended September 30, 2024, depreciation was higher than the comparable period primarily due to computer equipment additions and office furniture purchased for the Company's office expansion which was completed in the fourth quarter of 2024 to accommodate additional project staff.

Other Income

	Three months ended September 30			Nine months ended September 30		
	2024	2023	% Change	**2024**	2023	% Change
Interest Income	**278**	144	93%	**989**	369	>100%

Interest income results from the Company's short-term savings deposits. Interest income for the three and nine months ended September 30, 2024, was $0.3 million and $1.0 million which represents significant increases over the prior period as a result of a higher average cash balance.

Net Loss

The Company incurred a net loss of $2.6 million and $0.03 per common share during the three months ended September 30, 2024, compared to a net loss of $2.5 million and $0.04 per common share in the prior year's period.

The Company incurred a net loss of $7.4 million and $0.10 per common share during the nine months ended September 30, 2024, compared to a net loss of $6.9 million and $0.10 per common share in the prior year's period.

CAPITAL EXPENDITURES

The Company has three main sources of capital expenditures:

- Exploration and evaluation ("E&E") assets – the acquisition of mineral permits and licenses and costs related to the development of the Clearwater project.
- Property and equipment ("P&E") – corporate assets such as computer equipment and office furniture and fixtures
- Intangible assets – patent costs incurred to for the Company's proprietary DLE technology

	Three months ended September 30			Nine months ended September 30		
	2024	2023	% Change	**2024**	2023	% Change
E&E expenditures	**1,733**	4,282	(60%)	**6,026**	7,323	(18%)
P&E expenditures	**147**	1	>100%	**217**	33	>100%
Intangible asset expenditures	**2**	478	(100%)	**16**	2,262	(99%)
Total capital expenditures	**1,882**	4,761	(60%)	**6,259**	9,618	(35%)

E&E expenditures were $1.7 million and $6.0 million for the three and nine months ended September 30, 2024, compared to $4.3 million and $7.3 million in the comparative prior year period. During the prior year, the Company incurred higher E&E expenditures as a result of production and procurement costs as part of its summer DLE field pilot. E&E expenditures in the current year primarily relate to costs incurred for the Company's Pre-Feasibility study which was completed in July 2024.

P&E expenditures increased as the Company began an expansion of the existing office to accommodate its growing staff.

In the first quarter of 2024, the Company selected a third-party DLE to move forward with its first project for commercial operations. Internal resources have been reallocated towards the Company's project development resulting in fewer costs being included in intangible expenditures.

For the three and nine months ended September 30, 2024, P&E expenditures increased by $0.1 million and $0.2 million from the comparable prior period. The Company experienced an increase in headcount and office costs in the current year resulting in higher P&E expenditures. For the three and nine months ended September 30, 2024, intangible asset expenditures were $2.0 thousand and $16.0 thousand, compared to $0.5 million and $2.3 million during the three and nine months ended September 30, 2023.

Impairment Analysis

There were no indicators of impairment in the period and the Company does not consider its exploration and evaluation or intangible assets to be impaired. The Company's ability to realize the value of these assets is dependent on the successful completion of its pre-feasibility and feasibility studies, followed by the construction of commercial scale lithium production facilities.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as at September 30, 2024.

LIQUIDITY AND CAPITAL RESOURCES

The Company reported a working capital of $23.0 million at September 30, 2024, compared to working capital of $32.0 million at December 31, 2023. During the nine months ended September 30, 2024, the Company:

- Used $4.8 million (2023 – $4.7 million) in operating activities primarily due to increases in general and administrative expenses offset by interest income;
- Used $8.1 million (2023 – $8.6 million) in investing activities as a result of increased spending towards commercializing the Clearwater project, specifically its pre-feasibility study;
- Received $1.9 million (2023 – $5.6 million) primarily as a result of the receipt of government grant funding; there were higher expenditures in the prior year related to the field pilot which resulted in larger grant reimbursements.

Government Grants

Alberta Innovates ("AI")
On April 6, 2022, the Company was awarded a $1.8 million grant to assist in the scale up and development of its field pilot plant. As at September 30, 2024, life-to-date claims under AI is $1.8 million (December 31, 2023 - $1.8 million) and the Company has received $1.8 million (December 31, 2023 - $1.4 million). The remaining amount was claimed upon the completion of the field pilot plant.

Strategic Innovation Fund ("SIF")
On November 28, 2022, the Company was awarded a $27 million grant from the Government of Canada's Innovation, Science and Economic Development's SIF to support several aspects of the Company's resource and technology development up until commercial production. Eligible costs under the agreement are reimbursed at 33.94% to a maximum of $27 million.

Contingent on the Company's success and reaching commercial lithium production, the grant becomes repayable at 1.4 times the amount disbursed from the SIF grant. The repayment period begins the second-year post project completion at a rate of 1% of annual gross business revenues over a 20-year period. Currently, it is possible but not probable whether the Company will realize an outflow of benefits to settle the contingent obligation as the Company has not yet achieved commercial production. The Company has not recognized a provision at September 30, 2024 (December 31, 2023 – nil).

As at September 30, 2024, life-to-date claims under the SIF grant is $9.1 million (December 31, 2023 - $7.2 million) and the contingent obligation related to SIF is estimated to be $12.7 million (December 31, 2023 - $10.1 million). As at September 30, 2024, there is $1.2 million in accounts receivable related to SIF grants (December 31, 2023 - $1.9 million).

Natural Resources Canada's ("NRCan") Critical Minerals Research, Development, and Demonstration ("CMRDD")
On March 7, 2023, the Company announced it was awarded $3.5 million in funding through NRCan's CMRDD program. The funds are non-dilutive and non-repayable. The funds will be used to support the construction and operation of the Company's field pilot plant. The Company shall submit and be reimbursed for eligible expenses on an ongoing basis throughout the term of the agreement.

As at September 30, 2024, there is $0.4 million in accounts receivable related to NRCan grants (December 31, 2023 - $2.9 million). Subsequent to the quarter, the Company received its final payment installment of $0.4 million.

Emissions Reduction Alberta ("ERA")
On August 15, 2024, ERA announced a $5 million investment to support E3 Lithium's path to commercialization. The funds are non-dilutive and non-repayable and are reported on a milestone basis. The Company plans to use the funds towards its integrated Lithium Brine Demonstration Facility with the goal to produce lithium carbonate from brines within the Leduc reservoir in Alberta.

As at September 30, 2024, there have been no claims submitted to date.

Share Capital

The table below summarizes the change in share capital:

Number of Shares	**September 30, 2024**	December 31, 2023
Balance, beginning of period	**75,069,397**	63,229,773
Share issuance	**-**	8,985,483
Exercise of stock options and warrants	**200,000**	2,854,141
Balance, end of period	**75,269,397**	75,069,397

2024
During the nine months ended September 30, 2024, the Company issued 0.2 million common shares from the exercise of stock options with an exercise price of $1.38. Total proceeds received were $0.3 million year to date.

2023

During the year ended December 31, 2023, the Company issued 2.9 million common shares from the exercise of stock options and warrants with exercise prices between $0.40 to $2.67. Total proceeds received were $3.6 million year to date.

On September 26, 2023, the Company closed a bought deal public offering (the "September Offering") for gross proceeds of $23.0 million, including full exercise of the overallotment option for proceeds of $3.0 million. Share issuance costs in relation to the September Offering were $2.1 million, comprised of $1.6 million in cash commissions and closing costs, and $0.5 million in broker warrants (note 11) issued to the underwriters. Under the September Offering, the Company issued 6.5 million common shares at a price of $3.55 per common share.

On June 8, 2023, the Company closed a bought deal public offering (the "June Offering") for gross proceeds of $5.6 million. Share issuance costs in relation to the June Offering were $0.7 million, comprised of $0.5 million in cash commissions and closing costs and $0.2 million in broker warrants (note 11) issued to the underwriters. Under the June Offering, the Company issued 2.5 million common shares at a price of $2.25 per common share.

As at November 25, 2024, there were 75,269,397 common shares in the capital of E3 Lithium issued and outstanding.

Warrants

The following table summarizes the change in warrants:

	Warrant (units)	Weighted Average Exercise Price ($)
Balance, January 1, 2023	5,650,645	0.65
Broker warrants	465,669	3.16
Exercised	(1,331,641)	1.71
Forfeited/expired	(1,032,257)	1.65
Balance, December 31, 2023	3,752,416	0.32
Balance, September 30, 2024	**3,752,416**	**0.32**

Stock Options

See "Share-Based Compensation" above for summary of changes.

Commitments

The following is a summary of the Company's estimated commitments as at September 30, 2024:

As at September 30,	2024	2025	2026	2027	2028	Thereafter	Total
Office leases (1)	62	248	248	248	81	-	887
Mineral license fees	1,804	1,804	1,804	1,804	6,960	16,236	30,412
Total	**1,866**	**2,052**	**2,052**	**2,052**	**7,041**	**16,236**	**31,299**

(1) Represents undiscounted estimated operating cost payments for office and lab leases.

In December 2022, amendments to the Metallic and Industrial Minerals Tenure regulation were approved by Cabinet and were made effective January 1, 2023. Under the new regulation, brine-hosted mineral rights are granted through new agreements: brine-hosted minerals license and brine-hosted minerals lease. Brine-hosted mineral licenses are available for a 5-year, non-renewable term. Holders of brine-hosted mineral licenses have exclusive rights to apply for brine-hosted mineral leases with 10-year primary terms and indefinite continuation. The Company will be required to pay an annual fee to remain in good standing.

GOING CONCERN

As at September 30, 2024, the Company has not generated revenues from operations and has an accumulated deficit of $50.2 million (December 31, 2023 – $42.8 million) including a net loss of $7.4 million (September 30, 2023 – $6.9 million) as at and for the three and nine months ended September 30, 2024. The Company's ability to continue as a going concern is dependent upon its ability to finance its project and move towards commercial production of battery grade Lithium Hydroxide Monohydrate ("LHM").

CRITICAL ACCOUNTING ESTIMATES

The Company's critical accounting estimates are based on note 4 of the Annual Consolidated Financial Statements. In preparation of the Annual Consolidated Financial Statements, estimates may be necessary to make a determination of the carrying value of certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the Annual Consolidated Financial Statements. Management regularly reviews assumptions used for estimates. Additionally, management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

E3 Lithium's critical accounting estimates that may impact financial and operating results include:

- Estimates regarding the evaluation of progress towards establishing the technical feasibility and commercial viability of E&E assets and intangible assets;
- Estimates of share-based compensation and inputs into the Black-Scholes Option Pricing Model including risk-free interest rate, expected stock price volatility, expected life, expected dividend yields, and the fair value per option granted;
- Estimated values of decommissioning obligations include the expected amount and timing of future cash flows and discount rate used;
- Estimates of deferred income taxes incorporating management's interpretation of tax regulations and legislation in various tax jurisdictions.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

E3 Lithium's financial instruments include cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and due from related parties. The Company's financial instruments at September 30, 2024, approximate fair value due to their short-term nature. Accounts receivable, accounts payable and accrued liabilities and due from related parties are carried at amortized cost. The Company has cash carried at fair value through profit or loss.

All of the Company's financial instruments are classified as Level 1 in the fair value measurement hierarchy and there were no transfers between levels for the three and nine months ended September 30, 2024. Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. The Company's financial instruments are exposed to credit risk, currency risk, and liquidity risk.

Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss. The Company is exposed to credit risk with respect to its carrying balances of accounts receivable.

Accounts receivable outstanding as at September 30, 2024, relate to government grants and refundable tax credits which have minimal credit risk.

Currency Risk

The Company's exposure to foreign currency risk is not considered to be material as it transacts primarily in the Canadian dollar.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective is to maintain sufficient and readily available cash-on-hand in order to meet its liquidity requirements at any point in time.

As at September 30, 2024, the Company has working capital of $23.0 million (December 31, 2023 - $32.0 million) and does not foresee a shortfall in capital within the next twelve months.

RISK FACTORS

Liquidity and Capital Resources

Historically, capital requirements have been primarily funded through the sale of securities of the Company. Factors that could affect the availability of financing include the progress and results of ongoing exploration at the Company's mineral properties, the state of international debt and equity markets and investor perceptions and expectations of the global market for lithium and its derivatives. There can be no assurance that such financing will be available in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Company. Based on the amount of funding raised, the Company's planned exploration or other work programs may be postponed, or otherwise revised, as necessary.

Development of the Alberta Lithium Project

The Company's business strategy depends in large part on developing the Alberta Lithium Project. The capital expenditures and time required to develop the Alberta Lithium Project are significant and the Company has not yet secured funding that it believes will be sufficient to cover its share of capital expenditure obligations for the development of the Alberta Lithium Project. If the Company is unable to develop all or any of its projects, its business and financial condition will be materially adversely affected.

The Company believes that one of the key elements to the successful development of a feasible project in the future is the use of DLE. There is no guarantee that the Company will be successful in developing a commercial lithium production facility or obtaining funding related to these activities within the timeframes indicated or at all. There is no guarantee that the Company will be successful in developing DLE or utilizing others DLE, and its business and financial condition could be materially adversely affected.

Negative Operating Cash Flows

Given that the Company has yet to enter commercial production and generate cash flow, the Company had negative operating cash flow for the three and nine months ended September 30, 2024. To the extent that the Company has negative cash flow in future periods, the Company may need to deploy a portion of its cash reserves or a portion of the proceeds of any offering of securities to fund such negative cash flow.

SUMMARY OF QUARTERLY INFORMATION

	Q3 2024	**Q2 2024**	**Q1 2024**	**Q4 2023**
Net loss	(2,602)	(2,434)	(2,369)	(2,134)
Net loss per share	(0.03)	(0.03)	(0.03)	(0.03)
Total assets	55,308	55,994	59,000	61,987
Total liabilities	2,874	1,686	3,061	4,835
Common shares outstanding	75,269,397	75,269,397	75,269,397	75,069,397

	Q3 2023	**Q2 2023**	**Q1 2023**	**Q4 2022**
Net loss	(2,462)	(1,955)	(2,493)	(1,981)
Net loss per share	(0.04)	(0.03)	(0.04)	(0.03)
Total assets	62,650	41,124	36,316	36,101
Total liabilities	4,377	3,619	2,668	2,629
Common shares outstanding	74,750,647	67,518,665	64,519,182	63,229,773

SELECTED ANNUAL INFORMATION

	2023	2022	2021
Net loss	**(9,044)**	(6,944)	(4,780)
Loss per share	**(0.13)**	(0.12)	(0.10)
Total assets	**61,987**	36,101	25,991
Total liabilities	**4,835**	2,629	990
Capital expenditures	**15,622**	14,074	3,585

FORWARD-LOOKING STATEMENTS

Certain information and statements contained in this MD&A constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements are frequently identified by such words as “believe”, “may”, “will”, “plan”, “expect”, “anticipate”, “estimate”, “intend”, “project”, “potential”, “possible” or the negative thereof and similar words referring to future events and results. These forward-looking statements are based on current opinions, expectations and various estimates, factors and assumptions made by management, and involve known and unknown risks and uncertainties. All statements, other than statements of historical fact, included herein, including without limitation, statements about commercialization and Lithium Brine Demonstration Facility’s are forward-looking statements.

The forward-looking statements contained herein are based on certain key expectations, material factors and assumptions, including expectations and assumptions underlying the Company’s ability to effectively implement its planned exploration programs; expectations and assumptions underlying the ability of the Company to raise the capital necessary to conduct its planned exploration programs and to continue exploration on its properties; that any additional financing needed will be available on reasonable terms; assumptions underlying the Company’s working capital requirements; projected costs of operating a junior mineral exploration company; assumptions regarding the global economic environment and the market price and demand for lithium; the Company’s ability to manage its property interests and operating costs; that the exchange rates for the U.S. and Canadian currencies will be consistent with the Company’s expectations; that the current exploration, development, environmental and other objectives concerning the Clearwater Project can be achieved and that the Company’s other corporate activities will proceed as expected; that the current price and demand for lithium will be sustained or will improve; that general business and economic conditions will not change in a materially adverse manner and that all necessary governmental approvals for the planned activities on the Clearwater Project will be obtained in a timely manner and on acceptable terms.

Actual results could differ materially from those anticipated in the Company’s forward-looking statements as a result of a number of known and unknown risks and uncertainties, including without limitation: unexpected events and delays in the course of its exploration and drilling programs; the speculative nature of mineral exploration and development; the effectiveness and feasibility of emerging lithium extraction technologies which have not yet been tested or proven on a commercial scale or on the Company’s brine, the failure to discover any significant amounts of lithium or other minerals on any of the Company’s properties; the fact that the Company’s properties are in the exploration stage and exploration and development of mineral properties involves a high degree of risk and few properties which are explored are ultimately developed into producing mineral properties; the fact that the mineral industry is highly competitive and E3 Lithium will be competing against competitors that may be larger and better capitalized, have access to more efficient technology, and have access to reserves of minerals that are cheaper to extract and process; the fluctuations in the price of minerals and the future prices of minerals and the impact on the Company’s business of such fluctuations; the fact that if the price of minerals decreases significantly, any minerals discovered on any of the Company’s properties may become uneconomical to extract; the continued demand for minerals and lithium; the fact that resource figures for minerals are estimates only and no assurances can be given that any estimated levels of minerals will actually be produced; risks related to the availability of financing on commercially reasonable terms and the expected use of proceeds, governmental regulation of mining activities and oil and gas in Alberta and elsewhere and any changes thereto, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection; environmental regulation and any changes thereto, which mandate, among other things, the maintenance of air and water quality standards and land reclamation, limitations on the general, transportation, storage and disposal of solid and hazardous waste; environmental hazards which may exist on the properties which are unknown to E3 Lithium at present and which have been caused by previous or existing owners or operators of the properties; reclamation costs which are uncertain; the fact that commercial quantities of minerals may not be discovered on current properties or other future properties and even if commercial quantities of minerals are discovered, that such properties can be brought to a stage where such mineral resources can profitably be produced therefrom; the availability and potential failure of plant or equipment processes to operate as anticipated; accidents, effects of weather and other natural phenomena; the Company's lack of operating revenues; the inability to obtain the necessary approvals for the further exploration and development of all or any of the Company's properties; risks inherent in the mineral exploration and development business; the uncertainty of the requirements demanded by environmental agencies; the Company's ability to hire and retain qualified employees, third party contractors and consultants necessary for the exploration and development of any of E3 Lithium's properties and for the operation of its business; and other such risks and uncertainties related to mining activities and the Company's business and operations in general.

Forward-looking statements contained herein are made as of the date of this MD&A, and the Company disclaims any obligation to update any forward-looking statements, except as required by law, whether as a result of new information, future events or results, or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

investor@e3lithium.ca
e3lithium.ca

TSX.V: ETL | **FSE:** OW3 | **OTCQX:** EEMMF

E3 LITHIUM